

ASSEMBLY BILL

No. 108

Introduced by Assembly Member Simitian

March 5, 2001

An act to add Section 454.5 to the Public Utilities Code, relating to public utilities, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 108, as introduced, Simitian. Electrical corporations: standby charges.

(1) Under existing law, the Public Utilities Commission has ratemaking authority over public utilities, including electrical corporations.

This bill would require the commission to require an electrical corporation that imposes a standby charge on an entity for a qualifying facility, as defined, to impose a standby charge determined in accordance with a specified formula for the life of the facility. Because a violation of a rule or order of the commission is a crime, this bill would impose a state-mandated local program by creating a new crime.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(3) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 454.5 is added to the Public Utilities
2 Code, to read:

3 454.5. (a) The commission shall require an electrical
4 corporation that imposes a standby charge on an entity for a
5 qualifying facility to impose a standby charge determined in
6 accordance with the formula described in subdivision (b) for the
7 life of the facility. As used in this section, “qualifying facility”
8 means a new generation facility that produces 25 megawatts or less
9 of electricity and meets applicable air and water quality standards,
10 and any other relevant local, regional, state, and federal standards,
11 ordinances, or laws, that is approved and operational on or after the
12 effective date of the act adding this section and before July 1, 2003.

13 (b) A standby charge pursuant to subdivision (a) shall be the
14 product of the number of megawatts being produced, multiplied
15 by 0.85, multiplied by an amount equivalent to 50 percent of the
16 electrical corporation’s standby tariff schedule price per kilowatt.

17 SEC. 2. No reimbursement is required by this act pursuant to
18 Section 6 of Article XIII B of the California Constitution because
19 the only costs that may be incurred by a local agency or school
20 district will be incurred because this act creates a new crime or
21 infraction, eliminates a crime or infraction, or changes the penalty
22 for a crime or infraction, within the meaning of Section 17556 of
23 the Government Code, or changes the definition of a crime within
24 the meaning of Section 6 of Article XIII B of the California
25 Constitution.

26 SEC. 3. This act is an urgency statute necessary for the
27 immediate preservation of the public peace, health, or safety
28 within the meaning of Article IV of the Constitution and shall go
29 into immediate effect. The facts constituting the necessity are:

30 In order to promote the development of small generation
31 resources as soon as possible, thereby preserving the public peace,
32 health, and safety by increasing the availability of electricity

- 1 during the current electricity crisis, it is necessary for this act to
- 2 take effect immediately.

O

